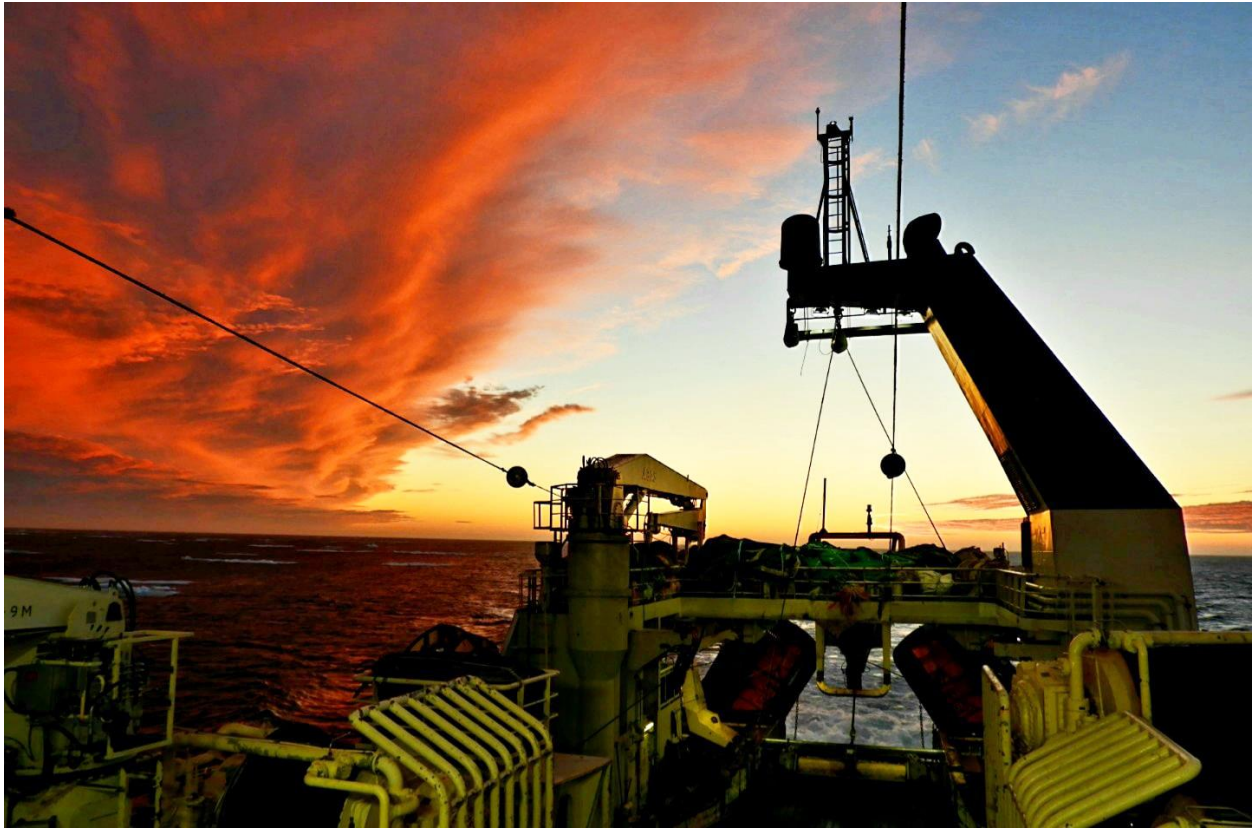




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BAFFIN FISHERIES



## **Through Adversity, Stronger than Ever Annual Report 2020-21**

Submitted to the Nunavut Wildlife Management Board

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# 1. Executive Summary

## Background

Baffin Fisheries, together with its wholly owned operating subsidiary Niqitaq Fisheries Ltd., is the leading commercial fishing enterprise in Northern Canada. The Companies are owned by five Hunters and Trappers Associations in the Qikiqtani Region of Nunavut (Mittimatalik, Pangnirtung, Amaruq, Mayukalik, and Nangmautaq), and is 100% Inuit owned and controlled.

## 2020 Harvest

The company's fleet consists of three wholly owned factory freezer fishing vessels: two 60m stern trawlers, and one fixed gear vessel. The vessels harvested a combined 11,132 tonnes of turbot and shrimp in 2020, while our partners operating under our licenses harvested another 3,898 tonnes of turbot and shrimp on our quota, for a total of 15,031.

Most of the partner harvest was under swap agreements, which allowed Baffin Fisheries to access 2,000 tonnes of SFA5 quota. SFA5 quota is accessible in winter (January-May), when 100% of BF's quotas are inaccessible due to ice cover. Only lower value Montagu shrimp, which is sold as industrial shrimp at lower prices, was sold without a swap arrangement. Under the terms of the Montagu sale, partners are required to employ Inuit workers and make a commitment to offer BF surplus winter quota should it become available.

Vessel harvest results, 26 trips total:

- Arluk – 1,547t turbot
- Inuksuk – 3,450t turbot; 1,098mt shrimp (reduced shrimp harvest due to maintenance requirements)
- Sivulliq – 3,534mt turbot; 1,504mt shrimp.

*(See section 2.5 Operation Plan for detailed harvesting information)*

## Assets




Baffin Fisheries has offices in Iqaluit, Paradise NL, Pangnirtung, Pond Inlet, and is constructing a new office building in Clyde River, due for completion in late 2021. BF holds a 32% minority share in Pangnirtung Fisheries Ltd. Baffin Fisheries has owned 100% of its fleet since late 2015.

The Company's strategic goals include generating economic activity in Nunavut communities; increasing the number of Inuit beneficiaries' onboard vessels and in administrative and management positions; increasing fishing capacity; supporting economic development in Nunavut communities; vertically integrating the Company to include vessel management, sales & marketing, and training support.

The Company is currently enhancing its fleet, building the largest, most-modern fishing vessel in Canada: an ice-class 80 metre stern trawler which will provide reduced emissions, improved environmental protection measures and efficiencies, improved working conditions for crew, and greater profitability for shareholders. The Board of Directors anticipate contract signing and project sanction in the current fiscal year, with delivery in late 2023.

## Mandate and Mission

Baffin Fisheries maximizes the delivery of benefits to the stewards of ocean resources adjacent to Nunavut: Inuit beneficiaries under the NLCA. Our mandate is to re-invest the profits from a sustainable, Inuit-run fishery, to develop viable, economic opportunities in Nunavut communities. We deliver employment opportunities, both onshore and offshore; royalty payments to HTAs; good governance from Inuit leaders; and a growing, profitable enterprise.

1. Maximize Operational Efficiency 	2. Improve Sustainability 	3. Increase Nunavut Benefits 
New technology	Expanded research	Increase Inuit Employment
Expanded Processing and Sales	New species/products	Develop Inshore fisheries & Infrastructure
Improved Profitability	Improved Environmental protection	Increase payments to HTAs

## A. Summary of Adherence to Strategic Goals and Commitments

Figure 1 – Goals, Objectives, Milestones

Goals	Objectives	Milestones
Maximize Operational Efficiency	Develop New Technology, including procurement of a new 80-metre fishing vessel	<p>Following the direction set by the Board of Directions, Baffin Fisheries completed its 20-month planning for the purchase a new \$70 million factor freezer multi-species trawler.</p> <p>Each stage of vessel planning has been discussed and approved at the Board level and communicated to the HTA level.</p> <p>A team of senior executives, expert consultants, and senior officers and crew have developed a detailed design and technical specifications.</p> <p>A new Credit Agreement has been reached with a financial institution for the financing of the new vessel over 15 years. The final Shipyard Contract and Financing Agreement are expected to be approved by the Board of Directors before the end of the second quarter, F2022 (Sept. 30).</p> <p>The Board's executive committee and senior management will visit all five communities to communicate the vessel's key design features, which will then be confirmed with the shipyard by the end of the calendar year.</p> <p>Baffin Fisheries continue to invest in improvements to its existing fleet of vessels for improved safety and performance, and to extend the life of the current fleet.</p> <p>During fiscal 2020-21, the Company invested approximately \$1.2 million in capital improvements to its vessels and an additional \$5.3 million in repairs and maintenance. All three vessels underwent significant maintenance and repairs during the year.</p>

	Expand Processing and Sales	<p>Baffin Fisheries managed all sales and marketing in-house, achieving superior pricing without paying costly commissions to third-party resellers. Baffin Fisheries continues to seek new markets and opportunities to increase value.</p> <p>Sales visits to existing and new markets in Asia were cancelled in 2020 due to Covid-19; however, BF was able to develop a small new market in the US with good growth potential.</p>
	Improved Profitability	<p>Before-tax profits increased by 16% in 2020, despite a drop in overall revenue due to Covid-19-related price decreases. The increase was due to cost cutting measures such as bulk fuel purchases, reduced consulting fees, market changes in global fuel prices, and decreased amortization.</p>
Improved Sustainability	Expanded Research	<p>Environmental and resource stewardship is essential for the future of the fishing industry. In 2020 Baffin Fisheries invested \$194,217 in research related to more environmentally sound fishing practices, Eastern Arctic Marine Multi-Species Surveys, and other issues through its participation in Nunavut Fisheries Association activities.</p> <p>The Company also made improvements to its fishing gear and vessels to reduce the risk of environmental damage and to improve fuel efficiency. During the year Baffin Fisheries made inspections and repairs to trawler fuel tanks to ensure their integrity and replaced the propeller and propulsion system on the Arluk II to improve fuel efficiency.</p>
	New Species and Products	<p>Baffin fisheries continued efforts to develop inshore turbot fishing activity as a commercial venture in Pond Inlet and Clyde River, though with reduced activity due to Covid-19.</p> <p>The Company also partnered with GN, sponsoring and supporting winter char fishing efforts in the Kimmirut area with a view to developing a viable commercial enterprise, and supported Amaruq in its goal of developing a country food processing centre.</p> <p>Research into new offshore species harvesting opportunities and processing was limited to discussions with key partners in 2020 due to Covid-19 limitations.</p> <p>Finding new species and developing new products remains a priority for Baffin Fisheries, with major activity planned for 2021 and 2022.</p>

	Improved environmental protection	<p>The new vessel will contribute significantly to reduced Greenhouse gas emissions through greater efficiency and exhaust gas scrubbing. Electric winches will reduce energy consumption and the vessel is being made ready for battery technology to reduce diesel emissions in Arctic communities.</p> <p>In 2020 the Company invested in upgraded and strengthened gillnets, installing AIS locator sensors on 100% of nets to ensure zero loss; took part in the OTN Greenland Shark tagging initiative, continued compliance with all NWMB stewardship guidelines, laws and regulations; compliance with relevant research initiatives, ecosystem protection requirements, and responsible fishing requirements; full participation in all NFA research initiatives and significant financial contribution to all projects.</p>
Increase Nunavut Benefits	Increase Inuit Employment	<p>During the year, Baffin Fisheries developed a social media recruitment program to encourage more Nunavummiut to apply for courses at NFMTC, and ultimately to work for Baffin Fisheries. The program was launched subsequent to the year end and will be managed by Baffin Fisheries employees in Nunavut.</p> <p>Baffin Fisheries filled two management positions in Iqaluit and Pond Inlet and will begin recruitment for a new position in Clyde River when the new office building is complete. New duties taken on by Nunavut employees include DFO licensing, vessel tracking, additional recruitment, building management and development project management.</p> <p>The at-sea mentoring program which commenced in 2019 was suspended in 2020 due to Covid-19. However, Baffin Fisheries is playing a strong role in the development of a significant mentoring program through NFMTC. Covid-19 travel restrictions had a negative impact on the Company's employment planning goals. Travel and quarantine restrictions prevented Nunavut workers from travelling for the first two trips of the season. Inuit employment returned to normalized levels later in the calendar year through increased use of charter aircraft, and extended quarantine hotel stays, both of which will have a cost impact in the coming year.</p> <p>The new vessel will have a significant, positive impact on Inuit employment. The vessel will have accommodation for four additional personnel to allow dedicated mentoring, and will include new positions such as steward, engine room assistant, and palletizing supervisor.</p>



- Improved efficiency over existing fleet due to increased daily capacity and vessel cargo capacity
- Annual harvest increased by ~10%
- Reduced maintenance costs, currently high due to aging fleet
- Minimum 5% improvement in fuel economy per tonne harvested
- Palletization for faster offloading, and reduced onshore fees
- New Inuit employment and mentoring opportunities
- Mid-depth trawling capability, for new species in future
- Reduced borrowing costs

As of July 31, 2020, Baffin Fisheries had secured up to \$60 M in new financing, isolated \$10M for vessel down payment, and budgeted to have a total of \$21M in down payments in place in 2022. Construction will begin in late 2021 with completion scheduled for December 2023.

The construction of the new office building and garage in Clyde River is back on track with completion expected in fall 2021. Community development projects and consultation are ongoing in all ownership communities.

*Sivulliq going through ice in NAFO fishing area 0A*



## 2. Governance

### Background

Baffin Fisheries was established in 2000, and formally incorporated in 2001, to help Inuit-owned enterprises acquire their own fleet of vessels. On Nov. 6, 2021, Baffin Fisheries will celebrate its 20<sup>th</sup> anniversary. Since July 2011 BFC, is comprised of five Hunters and Trappers Association members: Amaruq, Pangnirtung, Mayukalik, Mittimatalik and Nangmautaq. Each HTO owns 20% of the Company. While each HTA brought its own individual allocations into the corporation, HTAs agreed early in the Company's history to apply for new allocations collectively to build and strengthen the Company. As a result, most BF's allocations have been awarded jointly to the group, rather than individually to the HTAs.

### Corporate Structure

BFC and its subsidiary companies have Inuit Firm Status and are registered in the city of Iqaluit.

Figure 2 - Organizational Chart



*Baffin Fisheries postponed the completion of the amalgamation of Arluk Fisheries, pending a Board review of the ownership history, assets, and liabilities. Arluk Fisheries is owned 34% by HTAs in Kimmirut and Clyde River, and 66% by Niqitaaq fisheries.*



### 3. Benefits Plan Update

#### A. Goals, Objectives, and Milestones

Baffin Fisheries' primary focus for delivering benefits to communities is the continued development of business opportunities that create HTA self-sufficiency and employment, meet the needs of the community as stated by the HTA, and reflect Inuit values and traditions.

Inshore fisheries meet these criteria and are also in line with Baffin Fisheries business practice and areas of expertise. As stated above in *Governance Plan Updates*, Baffin Fisheries has also identified other initiatives and opportunities that are required prior to the development of inshore fisheries, namely investments in infrastructure and training.



Baffin Fisheries remains committed to the development of improved HTO facilities in all 5 of our governing communities. BFC successfully completed HTO buildings in Pangnirtung and Pond Inlet while the building in Clyde River will be completed later this year. We are committed to Kimmirut and Iqaluit priorities as well.

Baffin Fisheries carried out project management for the procurement, design, construction, and commissioning of all the new community projects, that was completed, and contributed to the project financially. BFC assisted the Amaruq HTO in Iqaluit with an application to Cannor for funding to build and operate a country food store. As outlined below Baffin Fisheries is committing financially to the project.

#### B. Progress towards goals

##### i. Clyde River

In 2018 Clyde River was identified as a priority community, in need of infrastructure. Baffin Fisheries Coalition, in partnership with the Namautalik Hunters and Trappers Organization, and with financial support from CanNor and the Government of Nunavut, is undertaking a three-year project to develop a new community freezer, including a country food preparation area and commercial turbot preparation area, turbot processing, and develop a new HTA office building and commercial ATV/Snowmobile repair facility. Baffin Fisheries is investing \$1,255,000 in the project, with the Nunavut Government and CanNor investing \$1,123,000 over three years.

Summary of Clyde River Benefits Project:

- a community/commercial freezer and food preparation building,
- a separate office building with commercial garage, and;
- snowmobile/ATV repair business

The Clyde River project continues to face challenges, but none has proven to be any bigger than the current COVID-19 pandemic. This pandemic delayed the 2020 work schedule and has significantly impacted project completion and the expenditure schedule. BFC stated in early 2020, "*this pandemic*

*may stop all on-site project activity this year and delay the entire project schedule by at least 1 year".* While there was no construction completed during 2020, most building materials and supplies were shipped to Clyde River.

In Canada, covid-19 restrictions and lock downs started during March 2020 and severely impacted and delayed last year's construction season. Baffin Fisheries attempts during 2020 to secure a construction crew to complete the project were unsuccessful. During March of 2021 Baffin Fisheries submitted an amendment to extend the life of the project by 1 year, with a new completion date of March 31st, 2022. Cannor approved the application with the new completion date and expenditure schedule.

Crane Steel is secured for this construction season and started work in September. The work scope and expenditure plan for last year will be completed this year. Planned expenditures for F2021 was \$875,000. Any addition expenses due to covid-19 restrictions will be at the expense of Baffin Fisheries.

In August 2020, all materials required for the construction of the new office building and garage in Clyde River was shipped to the community in five large containers. Unfortunately, due to Covid-19 travel restrictions, work crews were not available to travel to Nunavut in 2020. Baffin Fisheries offered to pay for crew members while they were in quarantine, but this was not possible, as the construction company could not afford to have its specialized crew unproductive for such a period. The containers of material were moved to a safe location and secured until construction began this month. Planning for the final year/phase of this project is ongoing. Discussions for creating small business to repair and provide snowmobiles for fishing, once project is complete, have started.

While you cannot plan for a pandemic, the Clyde River installation experience highlights the need for a strong project management team, and the requirement for contingency plans at all stages. As a result of these challenges, the project is delayed and will run over budget. Baffin Fisheries remains confident and committed in the completion of the project. These projects will support a range of economic activities and strengthen community economics.

The stand-alone service building being constructed next to the freezer will now be completed by year end. The service building will include office space for the HTA, Baffin Fisheries, and rental opportunities, and will include a small service bay for the repair and maintenance of snowmobiles and ATVs. The HTA will identify a business partner to operate a small engine/vehicle repair shop in this space. The snowmobile repair business will support fishermen who go out on the ice to harvest turbot. Progress is moving quickly as you can see from the pictures below.





The project is intended to create rental income, the opportunity for three full-time positions, and will support the creation of dozens of part-time, seasonal inshore fishery opportunities.

Baffin Fisheries is acting as project manager for the construction phase, and business start-up phase. The HTA will manage the ongoing operation of the buildings, with support from Baffin Fisheries.

## *ii. Kimmirut, Pond Inlet, Clyde River*

### **In Shore Fishery Project**

The Inshore Fishery Development project is in the second year of the two-year project. The agreement's starting date became effective on Feb 21<sup>st</sup>, 2020. Work started immediately and was scheduled for completion over two fiscal years, with anticipated completion by March 2021. Delays and strategic changes resulted from the COVID-19 pandemic, and partners in the Inshore Fishery development project were unable to travel to Nunavut in time to complete the program, a project extension was discussed with Cannor prior to March 31<sup>st</sup>, 2021, however no official amendment was completed.

Working closely with the HTAs, GN, DFO, Marine Institute, and researchers at Carleton University, Laval, and the University of Windsor, Baffin Fisheries was able to carry out a fishing program in Kimmirut and has put the wheels in motion for fishing expeditions in Clyde River, Pond Inlet. All training and guiding were provided by local fishermen already in Nunavut.

DFO researchers were unable to travel to Nunavut to instruct fishermen on proper sampling techniques, so an instructional video was provided to the Kimmirut team to ensure proper sampling was observed, to support exploratory fishery requirements for ultimate development of a commercial fishery. On the first fishing trip, insufficient quantities of char were obtained to allow for smoking in Kimmirut. A second trip to different locations east of Kimmirut did not go ahead.

The same GN and DFO teams are currently working on the inshore turbot fishing program in Clyde River, and Pond Inlet. Both programs are also delayed due to COVID-19 travel restrictions, and delay in obtaining a new allocation from DFO. However, the trips may be completed by the end of 2021. By working closely with GN, Baffin Fisheries has assured that the fishing program will remain funded and supported for another five years.

In early April, Baffin Fisheries CEO Chris Flanagan traveled to Clyde River and Pond Inlet to meet with the HTA to discuss the 2021 ice fishing program and confirm inventory in place in the communities. Plans are now underway to complete the following:

- Construction of two fishing huts for Clyde River which can be used annually.

- Provision of two snowmobiles to be provided exclusively for the programs Clyde River and Pond Inlet
- Identification of two teams of 5-7 individuals to participate in the program, harvest turbot, and return to the community to process and package.
- Provision of any materials identified as more appropriate in last year's fishing trip, such as #10 hook, swivel lines, and packaging material for the vacuum sealer.
- Confirming fishing guides from Pangnirtung able to travel to Clyde River to assist and train new fishermen (The recent Covid lockdown in Nunavut may impact the program's ability to recruit guides from Pangnirtung).

### *iii. Kimmirut Freezer*

Work on the Kimmirut freezer was delayed by Covid-19. Due to the mandatory two-week quarantine, and construction boom in the rest of Canada, the Company hired to complete the renovations, Crane Steel, could not travel to Nunavut to complete the work in 2020, claiming the pandemic constituted 'unforeseeable circumstances' which permitted breach of the contract. Increasing labour costs to cover the two-week quarantine was not a viable option; the Company stated it could not afford to lose a crew for two weeks.

Most material for the project was purchased in March 2020 and was awaiting shipment to Kimmirut by searift. Towards the end of 2020, Crane Steel advised it would be extremely difficult to complete the project in 2021 if Covid-related travel restrictions were still in place.

In February 2021, Niqitaq Fisheries and Crane steel agreed to cancel the construction portion of the contract and hand the materials over to another contractor.

In February 2021, Niqitaq hired Hessa Contracting Ltd. to review the project with a view to completing the renovations. In February 2021, Niqitaq hired Hessa to send a project foreman to Kimmirut to complete a review of the building for Hessa. Hessa has a full-time presence in Nunavut and will be available to complete the work in 2021. In March 2021 Niqitaq entered a contract to complete the renovations and committed the funds to the project prior to March 31.

In April and May 2021 Baffin Fisheries completed procurement of an additional \$32,400 worth of material for refurbishment, based on need identified in the February review. Additional equipment includes insulated panels, jacks, additional lumber, and other materials.

Hessa Contracting is confident it can complete the project in the 2021 season and has a construction crew in Nunavut ready to take on the work. The Covid-19 lockdown that occurred in April 2021 prevented an electrical inspection from taking place in April. Work continues on the refurbishment of the freezer building in Kimmirut to accommodate future smoking and processing of char.

### *iv. Pond Inlet*

During the year Baffin Fisheries assisted the Mittimatalik HTO secure DFO licencing for up to 25 tonnes of turbot as part of an exploratory ice fishery in Eclipse Sound. Baffin Fisheries provided hooks, lines, motorized winches, and other equipment to assist in the fishery.

Baffin Fisheries planned an experimental fishing trip. The aim of trip was to assess requirements for commercialization of a small turbot fishing business in Pond Inlet. The team reviewed: ice drilling, qamutiks, catch rate, bait, processing, and available equipment. Fishing results demonstrated need for further work.



Baffin Fisheries succeeded in launching small-scale commercial sale of turbot from Pond Inlet and Clyde River in Winter 2019/2020. Due to COVID-19, Baffin Fisheries purchased the product from fishermen, and donated it to local community members through the HTA, instead of exporting.

The goal of the project is to find the optimal location and time for harvest, to obtain enough turbot, to develop a CFIA-approved processing practices, and to get the finished product to market. Next steps are to develop a better Qamutik-based preparation area, to improve flash-freezing, to pay fishermen for processed turbot at the beach, and to distribute the packaged product.

Baffin Fisheries obtained a reefer container to provide storage for commercial quantities of turbot. The reefer container was shipped to Pond Inlet. Baffin Fisheries continues to explore the opportunity for a small vessel to support inshore longlining from Pond Inlet and/or Clyde River. This initiative is dependent upon securing additional third-party funding.

#### **Pond Inlet building fully rented**

BFC staff in Pond Inlet successfully rented all available office space in the new office building. Offices were rented to an MLA, Baffinland Mines, and a single office was donated to the *Smart Ice* program, which Baffin Fisheries supports and assists.

#### **v. Iqaluit**

Amaruq HTA in partnership with Cannor and BFC started a project to build a country food processing facility and store front on its property in Iqaluit. The facility would be adjacent to its existing freezer container and office space, thereby leveraging office resources and approximately 2500 cubic feet of freezer capacity. The plant will include CFIA-standard meat cutting and packaging equipment, and a storefront operation to make country food available to local HTA members and the public at affordable costs. The facility will provide lower-cost seal meat, muktuk, beluga, char, turbot, caribou, walrus, game bird, as well as shrimp caught by the Nunavut offshore trawler fleet, currently unavailable in Nunavut except on an occasional basis.

The processing plant is expected to provide employment opportunities in three areas:

1. The facility is expected to create two new permanent full-time positions, and two casual part-time positions, plus growth opportunities for additional positions.
2. It will create new opportunities for Inuit hunters and trappers across Nunavut to harvest and supply country food, as a paying occupation.
3. Spin-off employment is anticipated, to support construction, distribution of country food products, technical support of equipment, and general administration.

The plant and shop are expected to make country food available at affordable prices for HTA members and Nunavummiut. Country food will be provided at subsidized rates (subsidized by HTA through existing revenues) to HTA members in need. The plant is expected to reduce reliance on imported, less-healthy food. Small quantities of high-value-added specialty products are expected to be made available to visitors to Iqaluit.

The country food processing plant and storefront is required to address a shortage of affordable country food in Iqaluit, and to provide hunters and trappers across Nunavut with a better opportunity to sell their products. Arctic char is an underutilized resource in Nunavut. The facility will buy char from community harvesters at more competitive rates and volumes, thereby increasing revenue for fishers, and improving supply for consumers. Shrimp will be shipped in reefer sea containers by Desgagnes Transarctik sea lift group.

Currently there is limited competition when it comes to processing and sale of country food in Iqaluit. The development of a modern, year-round country food facility -- designed specifically to serve hunters, trappers and beneficiaries across Nunavut -- will significantly improve availability of affordable country food in Nunavut.

#### **vi. Pangnirtung – First Turbot Landing**

Pangnirtung Fisheries Ltd.

Baffin Fisheries planned a summer fishery program with the goal of landing 200,000-300,000 pounds of turbot at Pangnirtung Fisheries Ltd. in August-September 2020 (*See CSFL-PFL-Baffin Fisheries Summer Fishing Proposal, Appendix 8 for details*). Baffin Fisheries is a 32% minority shareholder in PFL. This summer fishery is aimed at increasing summer employment in Pangnirtung, increasing utilization of the fish plant asset, and helping PFL/CSFL meet its long-term goals. A total of 47 tonnes from OB was offloaded and processed at the fish plant in Pangnirtung while another 53 tonnes turbot from OA had to be shipped to a plant in Newfoundland because of limited capacity in Pangnirtung.

#### **vii. Nunavut Freezer program**

Baffin Fisheries is currently developing a program that will provide training for residents to learn the basics of freezer maintenance, stock necessary tools and spares, and provide a warning system to alert HTAs should the freezer malfunction. A Nunavut mining company, Baffinland, is very supportive and have supplied labour support to repair the freezer in Pond Inlet. Ideally a test pilot will prove the concept in Pond Inlet, and it can be rolled out in other communities across Nunavut.



#### **viii. Provision of lumber and building materials**

Baffin Fisheries provides support to HTAs to assist in the procurement, logistics, and shipping of goods and materials to the communities. Baffin Fisheries launched a program to help the HTAs get better pricing and quality for lumber and related materials for the construction of Qamutiks and cabins. While small lumber orders were arranged and shipped during 2020, significant orders were procured and shipped to all 5 ownership communities subsequent to year end. Baffin Fisheries provided an extra \$100,000 in lumber supplies to the communities to help offset exorbitant prices that occurred in 2021. The project is demanding from a human resource perspective, and Baffin Fisheries is now looking at developing a stand-alone business which will support this initiative to supply the HTAs with much-needed material. Although commercial enterprises exist to provide this service, HTAs have advised that prices are high, quality is declining, and benefits to Inuit beneficiaries are unknown. Baffin Fisheries is evaluating whether the venture is viable and beneficial.

#### **ix. Nunavut Turbot and Shrimp food sharing program**

During 2020 BFC received funding of \$295,750 from the AAFC to distribute turbot and shrimp throughout Nunavut. The approved project request is for up to 65,000 pounds of turbot to be purchased directly from the Pangnirtung Fish plant. The product was harvested from Nunavut waters in July, but there is no Sealift capacity for this product, therefore it remained in Pangnirtung. It could have been shipped to market by plane, however; due to a 15% decrease in market price caused by COVID, the product would have to be sold at a significant loss. This program enabled BFC to arrange aircraft charters and the turbot was distributed throughout Nunavut to families in need.

Nunavut has the greatest food security needs of any jurisdiction in Canada. It has the highest food costs, and generally poor health outcomes due in part to high food costs and poor nutrition. A lack of ports, roads, rail, and cold storage in Nunavut, combined with an environment hostile to agriculture, contributes to high food costs and low food security. Yet turbot from Nunavut is one of the healthiest forms of protein in the world. The challenge: starting a turbot distribution network in Nunavut would not only lose money in the initial years of development, but it would also reduce profits from factory freezer operations, which are reinvested in community development. It should be noted that food and food-shipping subsidies in Nunavut are likely far greater, per pound, than the economic loss that would be suffered if turbot were diverted to local markets.

**Turbot Processing**



**Turbot Inspection**



**Turbot Packaging**

